NO. FL. 6878-88, DATED THE 14TH MARCH 1907.

ORDER.—The Government of His Highness the Maharaja have had under their consideration for some time past the question of the abolition of the *halat* duty on arecanut (*supari*), and how best to carry out, without embarrassment to the State's finances, a reform, which, apart from individual differences of opinion as to the actual incidence of the duty, is recognized by all competent authorities as one of pressing administrative necessity and of far-reaching importance.

2. The separate memorandum annexed shows in a succinct form the nature and origin of the *halat* on *supari*, the administrative and economic evils which its retention entails, and the endeavours made in the past to mitigate them. It is here sufficient to remark that the process of declension in the condition of the people of the Malnad, which first attracted notice more than twenty years ago, and which led to special enquiries being instituted as to the causes of such declension and the remedies that should be applied, has become increasingly marked in recent years, so much so as to threaten the extinction of the *supari* industry. It is notorious that the population in the Malnad is decreasing, and the general condition is one of increasing poverty and inability to tide over seasons even of temporary distress. The drought of the last two seasons particularly has very severely affected the garden owners, and it will take them some years to recover from the destruction wrought by the loss of the normal water-supply, for, where trees have not been actually killed, their vitality has been so impaired that they are likely to produce little or no crop for some time to come. In these circumstances, the Government are convinced that the relief, to which the people of the Malnad have so long been anxiously looking forward, can no longer be postponed without serious consequences.

3. The chief difficulty that has hitherto stood in the way of effective relief being attempted has been the fact that a considerable revenue (nearly 3½ lakhs of rupees per annum) was being realized from this item of taxation, which it was felt the State could ill afford to forego in the then condition of its finances. His Highness' Government have since carefully gone into the question; and as a result of the enquiries instituted, which embraced the existing financial position, the prospects of the immediate future, and the measures necessary to place the finances generally on a sound footing (such as the reforms in the direction of retrenchment of expenditure in all departments, already in active progress), they have arrived at the conclusion that they can now safely afford to forego the entire revenue from the *halat* without unduly disturbing the position of the finances.

4. The Government have, therefore, great pleasure in announcing that the *halat* on *supari* will be abolished with effect from the official year 1907-08. At the same time, they direct that, in view of the immense benefit, amounting to the remission of a sum nearly equal to the assessment on the garden lands, which this measure will confer on garden owners, the latter be asked to contribute a small cess to provide a fund for the scientific investigation of *supari* garden problems, such as those connected with *supari* cultivation, diseases to which *supari* is liable, and the like. The cess will be fixed at present at one anna on every rupee of assessment on *supari* garden lands, and the proceeds will be set apart for the special purpose alluded to. The Deputy Commissioners of Districts are requested to take the needful action in communication with the Survey Department to give effect to this order.

5. The establishments employed in connection with the collection of the *halat* will be dispensed with on the 1st July 1907. Deputy Commissioners should, however, endeavour to find other employments for as many of the men thrown out as possible in the Revenue or other Departments; but all those who are not fit for other employment or for whom employment cannot be found, will be retired on compensation or other pension or gratuity to which they may be entitled.

6. The proposals of Deputy Commissioners are awaited as regards the future utilization of the buildings now used as *Kattes*.

By Order,
K. S. CHANDRASEKHARA AIYAR,
Secy. to Govt., Gen. & Rev. Depts.